

HCS HB 688 -- EMPLOYING EX-OFFENDER TAX CREDIT

SPONSOR: McCaherty

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 11 to 1.

Beginning January 1, 2018, this bill authorizes a taxpayer to receive a tax credit equal to 50% of the amount of any donation made to an organization that works with ex-offenders to reduce recidivism. Tax credits are nontransferable and nonrefundable but may be carried forward for four years. A taxpayer must donate at least \$100 to receive the credit.

The Department of Corrections is charged with determining whether an organization is qualified. To be qualified, an organization must be a valid 501(c)(3) organization that has a reduced recidivism rate in the group of ex-offenders it has worked with compared to the state average. The director of the department must establish a procedure for taxpayers to determine which organizations are qualified and notify the Department of Revenue of any taxpayer wishing to claim a credit. The Department of Revenue may authorize up to \$2 million in tax credits under this section. The bill requires the Department of Corrections to submit an annual report to the General Assembly regarding the costs and benefits of this credit program.

The provisions of the bill will expire six years from the effective date.

This bill is similar to HB 2759 (2016) and SCS SB 1137 (2016).

PROPONENTS: Supporters say that this bill helps with the Department of Corrections (DOC) recidivism rates by providing a benevolent tax credit program to encourage donations like the credit for donations to food pantries. It could reduce costs to the state by not incarcerating ex-offenders again. The bill will help ex-offenders to be productive members of society by supporting programs that help them with housing, food, clothing, transportation, social skills, job readiness skills, and to remain drug-free with support and mentor services. The organizations teach parenting skills to reunite the families and because helping a parent helps the kids stay out of prison too.

Testifying for the bill were Representative McCaherty; Greg Smith, Mission Gate Prison Ministry; Matthew Hopkins; and Brittania Baker.

OPPONENTS: There was no opposition voiced to the committee.